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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Forefront Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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### FOREFRONT GROUP LIMITED

*(incorporated in the Cayman Islands with limited liability)*

福方集團有限公司\*

(Stock Code: 0885)

- (1) PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS**  
**(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**  
**(3) REFRESHMENT OF SCHEME MANDATE LIMIT**  
**(4) AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION AND**  
**(5) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the Company to be held on Friday, 22 June 2012 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 4:30 p.m. is set out on pages 47 to 52 of this circular.

Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting should you so wish.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Friday, 22 June 2012 at 4:30 p.m. or any adjournment thereof
“Articles”	the articles of association of the Company
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Forefront Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the director(s) of the Company
“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted at the AGM to Directors to exercise all the powers of the Company to allot, issue and deal with Shares up to 20% of the issued share capital of the Company as at the date of passing such resolution
“Latest Practicable Date”	16 May 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company
“Repurchase Mandate”	a general and unconditional repurchase mandate proposed to be granted at the AGM to the Directors to exercise all the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing such resolution
“Scheme Mandate Limit”	the maximum number of Shares which may be issued and allotted upon the exercise of all options shares which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed scheme mandate limit by Shareholders
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 6 August 2007
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a subsidiary within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%” or “per cent.”	percentage or per centum

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## LETTER FROM THE BOARD

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### FOREFRONT GROUP LIMITED

*(incorporated in the Cayman Islands with limited liability)*

**福方集團有限公司\***

**(Stock Code: 0885)**

*Executive Directors:*

Mr. Yeung Ming Kwong (*Chairman*)  
Ms. Lo Oi Kwok, Sheree  
Mr. Lam Yick Sing  
Mr. Wen Louis  
Mr. Zhuang You Dao

*Independent Non-executive Directors:*

Mr. Chung Yuk Lun  
Ms. Lam Yan Fong, Flora  
Mr. Pak William Eui Won

*Registered office:*

P.O. Box 309, Uglan House  
South Church Street, George Town  
Grand Cayman, Cayman Islands  
British West Indies

*Head Office and Principal place of  
business in Hong Kong:*

Room 1103, 11/F.,  
China United Centre  
28 Marble Road  
North Point  
Hong Kong

22 May 2012

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS**  
**(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**  
**(3) REFRESHMENT OF SCHEME MANDATE LIMIT**  
**(4) AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF**  
**ASSOCIATION AND ADOPTION OF AMENDED AND**  
**RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**  
**AND**  
**(5) NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The purpose of this circular is to provide you with information regarding, inter alia, (i) the re-election of retiring Directors, (ii) the General Mandates to issue and repurchase Shares, (iii) the refreshment of the Scheme Mandate Limit; and (iv) the proposed amendments to the Memorandum and Articles and adoption of amended and restated memorandum and articles of association.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### RE-ELECTION OF RETIRING DIRECTORS

As at Latest Practicable Date, the Board consisted of eight Directors, namely Mr. Yeung Ming Kwong, Ms. Lo Oi Kwok, Sheree, Mr. Lam Yick Sing, Mr. Wen Louis, and Mr. Zhuang You Dao, being the executive Directors, and Mr. Chung Yuk Lun, Ms. Lam Yan Fong, Flora and Mr. Pak William Eui Won, being the independent non-executive Directors.

Mr. Wen Louis and Mr. Zhuang You Dao, who were executive Directors and Mr. Chung Yuk Lun who was an independent non-executive Director will retire at the AGM by rotation pursuant to the Article 116 of the Articles and, being eligible, offer themselves for re-election at the AGM.

Details of Mr. Wen Louis, Mr. Zhuang You Dao and Mr. Chung Yuk Lun, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix I to this circular.

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting held on 13 May 2011, the Shareholders approved, amongst other things, an ordinary resolution to grant to the Directors a mandate to issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution (the “Existing Issue Mandate”). At the date of the passing of that resolution, there were 3,654,742,707 Shares of HK\$0.01 each in the share capital of the Company in issue and the Directors were granted a mandate to allot and issue up to 730,948,541 new Shares.

As at the Latest Practicable Date, the Existing Issue Mandate had not been utilized.

At the AGM, ordinary resolutions will therefore be proposed to the Shareholders to consider and, if thought fit, approving and granting to the Directors a general and unconditional mandate to issue further Shares and to exercise the powers of the Company to repurchase Shares as follows:

- a. to allot, issue and otherwise deal with additional Shares up to 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate;
- b. to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing of the resolution approving this Repurchase Mandate; and
- c. subject to passing of (a) & (b) above, an ordinary resolution will also be proposed for the Shareholders to consider to extend the General Mandate granted to the Directors to allot, issue and deal with additional Shares by the addition of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted under (b) above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution.

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## LETTER FROM THE BOARD

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The ordinary resolution proposed to Shareholders in relation to the Issue Mandate and Repurchase Mandate at the AGM may only continue in force until: (a) the conclusion of the next annual general meeting of the Company following passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions, (b) the expiration of the period within which the next general meeting of the Company is required by the Articles or any applicable laws to be held, or (c) revoked or varied by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in appendix II to this circular. The information in the explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

### REFRESHMENT OF SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 6 August 2007 and since then there have been a total of six refreshments of the Scheme Mandate Limit. Out of these six refreshments, three refreshments were made after utilisation of the then Scheme Mandate Limit and three refreshments were made before any Scheme Mandate Limit was utilised but were made after a change in issued share capital of the Company in the relevant year. Set out below is a table showing the date of past refreshment of Scheme Mandate Limit, the maximum number of Shares available under the refreshed Scheme Mandate Limit and the number of Shares utilised under such refreshed Scheme Mandate Limit.

<b>Date of refreshment of Scheme Mandate Limit</b>	<b>Maximum number of Shares available under Scheme Mandate Limit after refreshment</b>	<b>Number of Shares utilised after the relevant refreshment</b>
13 March 2008	78,029,832 (adjusted after share consolidation of 4 into 1)	0
11 August 2009	168,994,360	168,990,000
22 October 2009	43,938,446 (adjusted after share consolidation of 5 into 1)	43,938,446
23 March 2010	195,494,040	0
2 June 2010	281,082,523	0
13 May 2011	365,474,270	365,474,270

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## LETTER FROM THE BOARD

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Subject to the issue of circular by the Company which complies with the Listing Rules and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Scheme Mandate Limit may be refreshed to the extent not exceeding 10% of the Shares in issue as at the date of such Shareholders' approval. As at the Latest Practicable Date, there were 4,020,216,977 Shares in issue. Assuming that no further Shares will be issued or repurchased by the Company prior to the date of the AGM, the maximum number of Shares which may fall to be issued upon the exercise of all options that may be granted by the Company under the refreshed Scheme Mandate Limit would be 402,021,697 Shares, representing no more than 10% of the Shares in issue as at the date of approval of the refreshed Scheme Mandate by the Shareholders at the AGM.

The purpose of the Share Option Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. Participants under the Share Option Scheme are all directors and employees of the Group and any other persons including consultant, advisor, agent, customers, suppliers, service provider, contractor, business partner or connected person of the Group or its associates who, in the sole discretion of the Board, have contributed or will contribute to the Group. When determining whether a participant would be eligible to be granted Options under the Share Option Scheme, the Board would consider factors such as whether such participant has contributed to the Group in the past and/or has the potential to contribute to the Group in the future. The Board considers that by granting Share Options to eligible Participants, this will allow them an opportunity to become equity holders of the Company and therefore their interests are aligned with the Shareholders and would encourage them to work towards enhancing the value of the Company and the Shares. The Board considers that the grant of Share Options to Participants will provide incentive to the grantees and at the same time provide a positive cashflow to the Company at the time the Options are exercised and therefore grant of Share Options, instead of other alternatives, is an appropriate way to reward grantees. The Company at present has no plan to grant Options immediately after the proposed refreshment of Scheme Mandate Limit but cannot rule out such possibility as and when it is considered appropriate by the Board to do so by reference to the then circumstances.

The Company had previously adopted a share option scheme on 2 August 2002 which was terminated on 6 August 2007. Apart from the Share Option Scheme, the Company had no other share option schemes in force as at the Latest Practicable Date.



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## LETTER FROM THE BOARD

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The Scheme Mandate Limit was refreshed at the annual general meeting held on 13 May 2011 pursuant to which the Directors were authorised to grant options to subscribe for up to a maximum number of 365,474,270 Shares, which represented 10% of the total issued share capital of the Company as at the date of that meeting. As at the Latest Practicable Date, the Company has no outstanding options granted which have not yet been exercised under the Share Option Scheme.

Share Options carrying rights to subscribe for 365,474,270 Shares, were granted by the Company on 31 January 2012 and were exercised in full on 7 February 2012. The exercise price of the relevant Share Options granted on 31 January 2012 was HK\$0.1042 per Share, which represents the highest of (i) the closing price of HK\$0.103 per Share on the date of grant; (ii) the average closing price of HK\$0.1042 per Share for the five business days immediately preceding the date of grant; and (iii) the nominal value of HK\$0.01 per Share. The relevant Share Options are valid from 31 January 2012 to 30 January 2022. No vesting period nor conditions were attached to the relevant Share Options. Of the 11 grantees of such Share Options exercisable into a total of 365,474,270 Shares: (a) one is an employee of the Company (33,000,000 Shares); (b) one is a director of company in which the Company holds equity investment (“Investee Company Grantee”), one is a personal assistant to such director and one is a director of a business partner of the Company (“Business Partner Grantee”) (a total of 101,474,270 Shares); (c) four are directors and staff of brokerage firms which are service providers of the Group (a total of 132,000,000 Shares); and (d) three are customers of the Group (a total of 99,000,000 Shares), who are all eligible participants under the Share Option Scheme. None of the grantees of such Share Options is a director, chief executive or substantial shareholder of the Company, or an associate of any of them.

The Board only granted Share Options to personnel of the Investee Company Grantee and not to personnel of another investee company on 31 January 2012 as (i) the Board considers that, based on unaudited consolidated managements available to the Company around the time of grant, the Investee Company Grantee was demonstrating a positive performance; and (ii) the other unlisted investee company was undergoing a listing exercise on the Stock Exchange which may already provide equity linked incentive to personnel of that company. The Business Partner Grantee has in the past participated in a provision of financing to a third party together with the Company. The grant of Share Options to a director of the Business Partner Grantee is to allow a senior personnel of the Company’s business partner the opportunity to acquire a proprietary interest in the Company in the hope that such person will want to maintain an ongoing business relationship with the Company, which is consistent with the purpose of the Share Option Scheme, i.e. to encourage participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. At or around the time when Share Options were granted on 31 January 2012, the Company had only engaged two brokerage firms to provide the Group with daily securities brokerage services. Options were granted to directors and staff of these brokerage firms on 31 January 2012. The Group provides loan services to the three customers who were granted Share Options on 31 January 2012.

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## LETTER FROM THE BOARD

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The Board believes that by making grants to senior personnel of a company in which the Company holds equity investment and to person who works closely with such senior personnel, the grants will provide incentive for these persons to work towards enhancing the value of such investee company and thereby improving the value of the Company's equity investment. Grants made to directors and staff of brokerage firms were for the main purpose of allowing them to acquire proprietary interests in the Company to align their interests with the Shareholders and in the hope that they will work towards improving the overall value of the Company. This may include providing update market information to the Company for the Company to consider when making investments. The ultimate objective of the grants is to allow the grantees to become equity holders of interest in the Company so that their interests are the same as other Shareholders. Grants made to customers of the Group are for the main purpose of aligning their interests with other Shareholders. By allowing these persons an opportunity to acquire an equity interest in the Company, the Board believes that there will be an incentive for these persons to contribute to the Group. These customers have in the past contributed by introducing new customers to the Group thereby contributed to the growth of the Group's business.

Pursuant to the Share Option Scheme and the Listing Rules, the Scheme Mandate Limit shall in no event result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company exceed 30% of the Shares in issue from time to time.

The refreshment of the Scheme Mandate Limit is conditional upon:

- a. the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the AGM; and
- b. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of passing the resolution of refreshment of Scheme Mandate Limit at the AGM) which may fall to be issued upon the exercise of the options to be granted under the Share Option Scheme and any other share option schemes of the Company.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued and allotted upon the exercise of the options that may be granted under the refreshed Scheme Mandate Limit.

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## LETTER FROM THE BOARD

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### AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to seek approval from the Shareholders at the AGM for the amendments to the Memorandum and Articles, the provisions of which will principally reflect the recent and upcoming changes to the Listing Rules, as well as the Corporate Governance Code contained in Appendix 14 to the Listing Rules and certain housekeeping amendments proposed by the Board.

The details of the proposed amendments to the Memorandum and Articles are set out in Appendix III to this circular.

The proposed amendments to the Memorandum and Articles and the proposed adoption of an amended and restated memorandum and articles of association which consolidates all of the proposed amendments as set out in Appendix III to this circular and all previous amendments made are subject to the approval of the Shareholders by way of passing a special resolution at the AGM.

### AGM

A notice convening the AGM is set out on pages 47 to 52 of this circular. The AGM will be held at 4:30 p.m. on Friday, 22 June 2012 at 30/F., China United Centre, 28 Marble Road, North Point, Hong Kong for the purpose of considering and, if though fit, approving the resolutions as set out therein.

A form of proxy for use at the AGM is also enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of Shareholders at the AGM will be taken by poll and the Company will announce the results of the poll in the manner set out in Rule 13.39(5) of the Listing Rules.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

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## LETTER FROM THE BOARD

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### RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Board considers that the proposed resolutions in relation to the re-election of retiring Directors, renewal of the General Mandates, refreshment of Scheme Mandate Limit and amendments to the Memorandum and Articles and adoption of amended and restated memorandum and articles of association are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of the Board  
**Forefront Group Limited**  
**Yeung Ming Kwong**  
*Chairman*

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## APPENDIX I PARTICULARS OF RETIRING DIRECTORS FOR RE-ELECTION

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*The biographical details of the retiring Directors eligible for re-election at the AGM are set out as follows:*

### EXECUTIVE DIRECTORS

**Mr. Wen Louis**, aged 77, joined the Company as an executive Director on 1 September 2006. He holds a Bachelor of Engineering degree from City University of New York. He had been an Executive Director of Forefront International (Hong Kong) Limited (“FIHK”) from 1993 to 1997 and has been General Manager of FIHK since August 2005. Mr. Wen has extensive experience in engineering, marketing and advertising from previous position at J. Walter Thompson Co. and Dow Jones International Marketing Service in the United States. Mr. Wen is also an independent non-executive director of Willie International Holdings Limited (stock code: 273) effective from 22 April 2009.

Save as disclosed above, Mr. Wen did not previously hold any directorship in other listed public companies in the last three years.

No service contract has been entered into between Mr. Wen and the Company. Mr. Wen has no fixed term of service with the Company and is subject to retirement by rotation and re-election in accordance with the Articles. He is entitled to a monthly basic salary of HK\$28,550, which was determined with reference to his experience and the amount of time spent in the affairs of the Company.

Save as disclosed above, Mr. Wen has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As of the Latest Practicable Date, the spouse of Mr. Wen has interest in 750 Shares within the meaning of Part XV of the SFO.

**Mr. Zhuang You Dao**, aged 59, joined the Company as an executive Director on 29 August 2007. He graduated from The Institute of Operation Management of China (中國經營管理學院) majoring in corporate management. Mr. Zhuang has over 30 years of experience in the automobile industry. He is the Chairman of Tianjin Kai Sheng Automobile Service Co., Ltd. (天津市凱聲汽車維修有限公司) and general manager of Tianjin Jinri Automobile Sale & Service Company Limited (天津津日汽車銷售服務有限公司). Mr. Zhuang is a senior consultant of Shenzhen Lan-you Technology Co., Ltd. (深圳聯友科技有限公司), a developer of automobile industry management software. Mr. Zhuang is an executive of the Chamber of Industry and Commerce of Tianjin Xiqing District, a special procurator of the First Branch of the People's Procuratorate of Tianjin Municipality and a representative of the 14th Session of People's Congress of Tianjin Hedong District.

Save as disclosed above, Mr. Zhuang did not previously hold any directorship in other listed public companies in the last three years.

No service contract has been entered into between Mr. Zhuang and the Company. Mr. Zhuang has no fixed term of service with the Company and is subject to retirement by rotation and re-election in accordance with the Articles. He is entitled to a monthly basic salary of HK\$10,000, which was determined with reference to his experience and the amount of time spent in the affairs of the Company.

Save as disclosed above, Mr. Zhuang has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As of the Latest Practicable Date, Mr. Zhuang had no interest in the Shares within the meaning of Part XV of the SFO.

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Mr. Chung Yuk Lun**, aged 51, joined the Company as an independent non-executive Director on 26 April 2007. He is a fellow member of the Association of Chartered Certified Accountants, a member of The Hong Kong Institute of Certified Public Accountants and an Associated Chartered Accountants (England and Wales). Mr. Chung has over 20 years of experience in finance and project investment. He is an executive director and chairman of Radford Capital Investment Limited (stock code: 901), an executive director of Ming Fung Jewellery Group Limited (stock code: 860) and an independent non-executive director of Heritage International Holdings Limited (stock code: 412) and Dragonite International Limited (stock code: 329), all of which are listed companies on the Stock Exchange.

Save as disclosed above, Mr. Chung did not previously hold any directorship in other listed public companies in the last three years.

No service contract has been entered into between Mr. Chung and the Company. Mr. Chung has no fixed term of service with the Company and is subject to retirement by rotation and re-election in accordance with the Articles. He is entitled to a director's fee of HK\$120,000 per annum, which was determined with reference to his experience and the amount of time spent in the affairs of the Company.

Save as disclosed above, he has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As of the Latest Practicable Date, he has no interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above or as set out in the Company's annual report 2011, the above retiring Directors confirm that there is no other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There are no other matters relating to the re-election of the retiring Directors that need to be brought to the attention of the Shareholders.

*This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to maximum of 10% of the issued share capital of the Company as at the date of approval for the Repurchase Mandate.*

**SHARE CAPITAL**

As at the Latest Practicable Date, the number of Shares in issue was 4,020,216,977. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 402,021,697 Shares, being 10% of the entire issued share capital of the Company as at the date of passing the resolution.

**REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole. As compared with the position of the Company in its financial statements for the year ended 31 December 2011 (being the most recent published audited accounts), the Directors consider that there might be an immaterial adverse impact on the working capital or the gearing position of the Company in the event that the proposed repurchases were to be made in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level which in the opinion of the Directors are from time to time appropriate for the Company.

**FUNDING OF REPURCHASES**

Repurchases to be made pursuant to the Repurchase Mandate would be financed out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands.



**EFFECT OF THE TAKEOVERS CODE**

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercise its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase of the Shareholders' interests, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

So far as the Directors are aware based on the register maintained by the Company under the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong) as at the Latest Practicable Date, the exercise of the Repurchase Mandate in full will not give rise to any obligation on shareholder (and parties acting in concert with it) to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise any of the Repurchase Mandate to such an extent that will result in a requirement of any of the Shareholders or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of public falling below 25% or the minimum percentage as from time to time prescribed under the Listing Rules.

**SHARE PRICE**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in previous twelve months immediately preceding the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2011</b>		
May	0.1300	0.1050
June	0.1340	0.1100
July	0.1300	0.1160
August	0.1240	0.1090
September	0.1250	0.0990
October	0.1090	0.0990
November	0.1090	0.0980
December	0.1060	0.0990
<b>2012</b>		
January	0.1110	0.0990
February	0.1200	0.1000
March	0.1160	0.1040
April	0.1160	0.1100
May (up to the Latest Practicable Date)	0.1130	0.0970

**SHARE REPURCHASE MADE BY THE COMPANY**

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately preceding the Latest Practicable Date.

**GENERAL**

To the best of their knowledge and having made all reasonable enquiries, neither the Directors nor any of their associates have any present intention to sell Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no connected persons of the Company (as defined in the Listing Rules) notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

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## APPENDIX III                      AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

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### A.     **DETAILS OF THE AMENDMENTS TO THE MEMORANDUM ARE SET OUT BELOW:**

1.     The phrase “The Companies Law (2001 Revision) (Cap. 22)” in the heading on page 1 of the Memorandum is proposed to be deleted and substituted with the phrase “The Companies Law (Revised)”.
  
2.     The phrase “Restated Memorandum of Association of Forefront International Holdings Limited” on page 1 of the Memorandum is proposed to be deleted and substituted with the phrase “Restated Memorandum of Association of Forefront Group Limited”.
  
3.     **Clause 1**

The existing Clause 1 is as follows:

“The name of the Company is Forefront International Holdings Limited.”

The existing Clause 1 is proposed to be deleted in its entirety and substituted with the following:

“The name of the Company is Forefront Group Limited.”

4.     **Clause 4**

The existing Clause 4 is as follows:

“Except as prohibited or limited by the Companies Law (2001 Revision), the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (2001 Revision) and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon,

including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, debenture stock, loans, loan stock, loan notes, bonds, convertible bonds, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company (including, uncalled capital) or without security; to invest monies of the Company in such manner as the Directors may determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to contract with persons for the provisions of advice, the management and custody of the Company's assets, the listing of the Company's shares and its administration; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors' and officers' liability insurance; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws."

The existing Clause 4 is proposed to be amended by deleting the words "the Companies Law (2001 Revision)" in the 1st line and the 3rd line of the existing Clause 4 and substituting with the words "the Companies Law (Revised)".

After the proposed amendment, the amended Clause 4 will be as follows:

“Except as prohibited or limited by the Companies Law (Revised), the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (Revised) and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate, irrespective of any question of corporate benefit, in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, debenture stock, loans, loan stock, loan notes, bonds, convertible bonds, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company (including, uncalled capital) or without security; to invest monies of the Company in such manner as the Directors may determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to members of the Company; to contract with persons for the provisions of advice, the management and custody of the Company’s assets, the listing of the Company’s shares and its administration; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to Directors, officers, employees, past or present and their families; to purchase Directors’ and officers’ liability insurance; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the Directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a licence is required under the laws of the Cayman Islands when so licensed under the terms of such laws.”

**5. Clause 6**

The existing Clause 6 is as follows:

“The share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 ordinary shares of a nominal or par value of HK\$0.10 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (2001 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.”

The existing Clause 6 is proposed to be deleted in its entirety and substituted with the following to reflect the existing authorised share capital of the Company:

“The share capital of the Company is HK\$5,000,000,000 divided into 500,000,000,000 ordinary shares of a nominal or par value of HK\$0.01 each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.”

**6. Clause 7**

The existing Clause 7 is as follows:

“If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 193 of the Companies Law (2001 Revision) and, subject to the provisions of the Companies Law (2001 Revision) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.”

The existing Clause 7 is proposed to be deleted in its entirety and substituted with the following to reflect the change in section number of the Cayman Islands Companies Law:

“If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (Revised) and, subject to the provisions of the Companies Law (Revised) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.”

**B. DETAILS OF THE AMENDMENTS TO THE ARTICLES ARE SET OUT BELOW:**

1. The phrase “The Companies Law (2001 Revision) (Cap. 22)” in the heading on page 1 of the Articles is proposed to be deleted and substituted with the phrase “The Companies Law (Revised)”.
2. The phrase “Restated Articles of Association of Forefront International Holdings Limited” on page 1 of the Articles is proposed to be deleted and substituted with the phrase “Restated Articles of Association of Forefront Group Limited”.
3. **Article 2**
  - (a) The existing Article 2 is proposed to be amended by deleting the definition of “the Company” and “this Company” and substituting with the following:

““the Company” or “this Company” shall mean **Forefront Group Limited;**”



- (b) The existing Article 2 is proposed to be amended by deleting the definition of “writing/printing” and substituting with the following:

““writing” or “printing” shall include writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a legible and non-transitory form, and any form of electronic display, provided that both the mode of service of the relevant document or notice and the member’s election comply with all applicable laws, rules and regulations;”

- (c) The existing Article 2 is proposed to be amended by adding the following new definitions in alphabetical order:

““business day” shall mean a day on which the Exchange is generally open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Exchange is closed for business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day;”; and

““substantial shareholder” shall mean a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by Listing Rules from time to time) of the voting power at any general meeting of the Company;”

- (d) The existing Article 2 is proposed to be amended by inserting a new Article 2A as follows:

“2A. Section 8 of the Electronic Transactions Law (2003) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles.”

**4. Article 3**

The existing Article 3 is as follows:

“The capital of the Company at the date of the adoption of these Articles is HK\$100,000,000 divided into 1,000,000,000 shares of HK\$0.10 each.”

The existing Article 3 is proposed to be deleted in its entirety and substituted with the following:

“The capital of the Company at the date of the adoption of these Articles is HK\$5,000,000,000 divided into 500,000,000,000 shares of HK\$0.01 each.”

**5. Article 15**

The existing Article 15(c) is as follows:

“(c) The register may, on 14 days’ notice being given by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.”

The existing Article 15(c) is proposed to be deleted in its entirety and substituted with the following:

- “(c) The register may, on 14 days’ notice being given by advertisement published in the newspapers or by such manner as may be accepted by the Exchange, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.”

**6. Article 73**

The existing Article 73(a) is as follows:

- “73.(a) An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 days’ notice in writing and any other extraordinary general meeting shall be called by not less than 14 days’ notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business (as defined in Article 75) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.”

The existing Article 73(a) is proposed to be amended by deleting the first sentence of the existing Article 73(a) and substituting with the following:

“An annual general meeting shall be called by notice in writing of at least twenty-one (21) clear days or twenty (20) clear business days (whichever is longer). An extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by notice in writing of at least twenty-one (21) clear days or ten (10) clear business days (whichever is longer). All other extraordinary general meetings may be called by notice in writing of at least fourteen (14) clear days or ten (10) clear business days (whichever is longer).”

After the proposed amendments, the amended Article 73(a) will be as follows:

“73.(a) An annual general meeting shall be called by notice in writing of at least twenty-one (21) clear days or twenty (20) clear business days (whichever is longer). An extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by notice in writing of at least twenty-one (21) clear days or ten (10) clear business days (whichever is longer). All other extraordinary general meetings may be called by notice in writing of at least fourteen (14) clear days or ten (10) clear business days (whichever is longer). The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business (as defined in Article 75) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.”

**7. Article 80**

The existing Article 80 is as follows:

“80. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded or otherwise required under the Listing Rules. A poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote; or
- (c) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so required or demanded and, in the latter case, not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company’s book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.”

The existing Article 80 is proposed to be deleted in its entirety and substituted with the following:

- “80.(a) A resolution put to the vote of a meeting shall be decided by way of a poll save that the Chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its members; and (ii) relate to the duties of the Chairman of the meeting to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members a reasonable opportunity to express their views.
- (b) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (i) by at least five members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
  - (ii) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one tenth of the total voting rights of all members having the right to vote at the meeting; or
  - (iii) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the member.”

**8. Article 81**

The existing Article 81 is as follows:

- “81.(a) If a poll is required or demanded as aforesaid, it shall (subject as provided in Article 82) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was required or demanded as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is earlier.
- (b) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.”

The existing Article 81 is proposed to be deleted in its entirety and substituted with the following:

- “81. Where a resolution is voted on by a show of hands, a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by Listing Rules.”

**9. Article 82**

The existing Article 82 is as follows:

“82. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.”

The existing Article 82 is proposed to be deleted in its entirety and substituted with the words “Intentionally deleted”.

**10. Article 83**

The existing Article 83 is as follows:

“83. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is required or demanded, shall be entitled to a second or casting vote.”

The existing Article 83 is proposed to be amended by deleting the words “,whether on a show of hands or on a poll,” after the words “In the case of an equality of votes” in the first line of the existing Article 83.

After the proposed amendment, the amended Article 83 will be as follows:

“83. In the case of an equality of votes, the Chairman of the meeting at which the show of hands takes place or at which the poll is required or demanded, shall be entitled to a second or casting vote.”

**11. Article 88**

The existing Article 88 is as follows:

“88. A member in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised in such circumstances to do so, and such person may vote on a poll by proxy.”

The existing Article 88 is proposed to be amended by deleting the words “,whether on a show of hands or on a poll,” in the 5th line of the existing Article 88 and by deleting the words “on a poll” in the last line of the existing Article 88.



After the proposed amendment, the amended Article 88 will be as follows:

“88. A member in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, by any person authorised in such circumstances to do so, and such person may vote by proxy.”

**12. Article 92**

The existing Article 92 is as follows:

“92. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.”

The existing Article 92 is proposed to be amended by deleting the words “, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll,” in the 11th line to the 14th line of the existing Article 92.

After the proposed amendment, the amended Article 92 will be as follows:

“92. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.”

### **13. Article 94**

The existing Article 94 is as follows:

“94. The instrument appointing a proxy to vote at a general meeting shall: (a) be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within 12 months from such date.”

The existing Article 94 is proposed to be amended by deleting the words “demand or join in demanding a poll and to” in the 3rd line of the existing Article 94.

After the proposed amendment, the amended Article 94 will be as follows:

“94. The instrument appointing a proxy to vote at a general meeting shall: (a) be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and (b) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that the meeting was originally held within 12 months from such date.”

#### **14. Article 96**

The existing Article 96(b) is as follows:

“(b) If a recognised clearing house (or its nominee(s)) is a member of the Company, it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the proxy form or other authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person was an individual member of the Company holding the number and class of shares specified in such proxy form or other authorisation, including the right to vote individually on a show of hands, notwithstanding any contrary provision contained in Article 85.”

The existing Article 96(b) is proposed to be amended by deleting the words “, including the right to vote individually on a show of hands,” in the last 2nd and 3rd line of the existing Article 96(b).

After the proposed amendment, the amended Article 96(b) will be as follows:

“(b) If a recognised clearing house (or its nominee(s)) is a member of the Company, it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the proxy form or other authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person was an individual member of the Company holding the number and class of shares specified in such proxy form or other authorization notwithstanding any contrary provision contained in Article 85.”

**15. Article 99**

The existing Article 99 is as follows:

“99. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re election at that meeting provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 116.”

The existing Article 99 is proposed to be deleted in its entirety and substituted with the following:

“99. The Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on or as an addition to the Board. Any Director so appointed shall hold office until the first general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 116.”

**16. Article 106**

The existing Article 106 is as follows:

“106. The office of a Director shall be vacated:

- (i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;
- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the Board (unless an alternate Director appointed by him attends in his place) for a continuous period of 12 months, and the Board resolves that his office be vacated;
- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provisions in these Articles;
- (vi) if he shall be removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office; or
- (vii) if he shall be removed from office by a special resolution of the members of the Company under Article 122(a).”

The existing Article 106 is proposed to be amended by deleting the words “a special” in the first line of the existing Article 106 (vii) and substituting with the words “an ordinary”.

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**APPENDIX III                      AMENDMENTS TO THE MEMORANDUM AND  
ARTICLES OF ASSOCIATION**

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After the proposed amendment, the amended Article 106 will be as follows:

“106. The office of a Director shall be vacated:

- (i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;
- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the Board (unless an alternate Director appointed by him attends in his place) for a continuous period of 12 months, and the Board resolves that his office be vacated;
- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provisions in these Articles;
- (vi) if he shall be removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office; or
- (vii) if he shall be removed from office by an ordinary resolution of the members of the Company under Article 122(a).”

**17. Article 107**

The existing Article 107(c) is as follows:

- “(c) A Director shall not vote on (nor shall be counted in the quorum in relation thereto) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his Associate(s) has any material interest, but this prohibition shall not apply to any of the following matters, namely:
- (i) the giving of any security or indemnity either:

- (aa) to the Director of his Associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
  - (bb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his Associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his Associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (iii) any proposal concerning any other company in which the Director or his Associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his Associate(s) is/are beneficially interested in the shares of that company, provided that the Director and any of his Associates are not in aggregate beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his Associate(s) is derived) or of the voting rights;
  - (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
    - (aa) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or any share incentive scheme or share option scheme under which the Director or his Associate(s) may benefit; or

- (bb) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his Associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
  
- (v) any contract or arrangement in which the Director or his Associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.”

The existing Article 107(c) is proposed to be amended by: (i) deleting the existing Article 107(c)(iii) in its entirety and substituting with the words “Intentionally Deleted”; and (ii) deleting the words “or any share incentive scheme” in the 3rd line of the existing Article 107(c)(iv)(aa).

After the proposed amendments, the amended Article 107(c) will be as follows:

- “(c) A Director shall not vote on (nor shall be counted in the quorum in relation thereto) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his Associate(s) has any material interest, but this prohibition shall not apply to any of the following matters, namely:
  - (i) the giving of any security or indemnity either:
    - (aa) to the Director or his Associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
    - (bb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his Associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;



- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his Associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) Intentionally deleted
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
  - (aa) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or his Associate(s) may benefit; or
  - (bb) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his Associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or his Associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.”

**18. Article 122**

The existing Article 122(a) is as follows:

“122.(a) The Company may by special resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.”

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**APPENDIX III                      AMENDMENTS TO THE MEMORANDUM AND  
ARTICLES OF ASSOCIATION**

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The existing Article 122(a) is proposed to be amended by deleting the word “special” in the first line of the existing Article 122(a) and substituting with the word “ordinary”.

The amended Article 122(a) will be as follows:

“122.(a) The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.”

**19. Article 133**

The existing Article 133 is as follows:

“133. A resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 100(c)) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.”

The existing Article 133 is proposed to be amended by adding the following sentence to the end of the existing Article 133:

“Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”

After the proposed amendment, the amended Article 133 will be as follows:

“133. A resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 100(c)) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes

of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material”

**20. Article 163**

The existing Article 163 is as follows:

- “163.(a) The Board shall, commencing with the first annual general meeting cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Directors’ report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company’s affairs as at the end of such period, an Auditors’ report on such accounts prepared pursuant to Article 164 and such other reports and accounts as may be required by law.
- (b) Printed copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting be sent to every member of the Company and every holder of debentures of the Company, provided that the Company shall not be required to send printed copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.”

The existing Article 163 is proposed to be amended by:

- (i) adding the following as the new Article 163(c):
- “(c) Subject to due compliance with all applicable laws, rules and regulations, including, without limitation, the Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Articles 163(a) and 163(b) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the applicable laws, a summary financial statement derived from the

Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon."; and

(ii) adding the following as the new Article 163(d):

"(d) The requirement to send to a person referred to in Article 163(b) the documents referred to Article 163(a) or a summary financial report in accordance with Article 163(c) shall be deemed satisfied where, in accordance with all applicable laws, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Article 163(a) and, if applicable, a summary financial report complying with Article 163(c), on the Company's website or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

After the proposed amendments, the amended Article 163 will be as follows:

"163.(a) The Board shall, commencing with the first annual general meeting cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an Auditors' report on such accounts prepared pursuant to Article 164 and such other reports and accounts as may be required by law.

- (b) Printed copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting be sent to every member of the Company and every holder of debentures of the Company, provided that the Company shall not be required to send printed copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.
- (c) Subject to due compliance with all applicable laws, rules and regulations, including, without limitation, the Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Articles 163(a) and 163(b) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the applicable laws, a summary financial statement derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
- (d) The requirement to send to a person referred to in Article 163(b) the documents referred to Article 163(a) or a summary financial report in accordance with Article 163(c) shall be deemed satisfied where, in accordance with all applicable laws, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Article 163(a) and, if applicable, a summary financial report complying with Article 163(c), on the Company's website or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

**21. Article 167**

The existing Article 167(a) is as follows:

“167.(a) Any notice or document (including a share certificate) may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or (in the case of notice) by advertisement published in the newspapers. In the case of joint holders of a share, all notices shall be given to that holder for the time being one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”

The existing Article 167(a) is proposed to be deleted in its entirety and substituted with the following:

“167.(a) Any notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company to a member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address as appearing in the register of members or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the member by any of the means set out above provided that such means are

permitted by the Listing Rules and other than by posting it on a website. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register of members and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.”

**22. Article 169**

The existing Article 169 is as follows:

“169. Any notice or document sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left. Any notice served by advertisement shall be deemed to have been served on the day of issue of the official publication and/or newspaper(s) in which the advertisement is published (or on the last day of issue if the publication and/or newspaper(s) are published on different dates).”

The existing Article 169 is proposed to be amended by adding the following sentence to the end of the existing Article 169:

“Any notice served by electronic commutation shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company’s website or the website of the Exchange, is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member.”

After the proposed amendment, the amended Article 169 will be as follows:

“169. Any notice or document sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left. Any notice served by advertisement shall be deemed to have been served on the day of issue of the official publication and/or newspaper(s) in which the advertisement is published (or on the last day of issue if the publication and/or newspaper(s) are published on different dates). Any notice served by electronic communication shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company’s website or the website of the Exchange, is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member”



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## NOTICE OF ANNUAL GENERAL MEETING

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### FOREFRONT GROUP LIMITED

*(incorporated in the Cayman Islands with limited liability)*

**福方集團有限公司\***

**(Stock Code: 0885)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Forefront Group Limited (the “**Company**”) will be held at 30/F.,China United Centre, 28 Marble Road, North Point, Hong Kong on Friday, 22 June 2012 at 4:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2011 and the reports of the directors and auditors of the Company for the year ended 31 December 2011.
2. To re-elect Mr. Wen Louis as an executive Director of the Company.
3. To re-elect Mr. Zhuang You Dao as an executive Director of the Company.
4. To re-elect Mr. Chung Yuk Lun as an independent non-executive Director of the Company.
5. To authorise the board of directors of the Company to fix the remuneration of the Directors.
6. To re-appoint Messrs. Mazars CPA Limited as auditor of the Company and its subsidiaries and authorize the board of directors of the Company to fix their remuneration.

\* *For identification purpose only*

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## NOTICE OF ANNUAL GENERAL MEETING

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To consider as special business and, if thought fit, passing with or without modification, the following resolutions as ordinary resolutions:

### ORDINARY RESOLUTIONS

7. **“THAT:**

- (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the Capital of the Company (“**Shares**”) or securities convertible into Shares, options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements or options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval given in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of aforesaid powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given in paragraph (a) and (b) of this resolution, otherwise than pursuant to:
  - i. a Rights Issue (as hereinafter defined); or
  - ii. any issue of Shares upon exercise of the rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares; or
  - iii. the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons of Shares or rights to acquire Shares; or

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## NOTICE OF ANNUAL GENERAL MEETING

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- iv. any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the articles of association of the Company in force from time to time,

shall not in total exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earlier of:
  - i. the conclusion of the next annual general meeting of the Company;
  - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
  - iii. the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying of the authority set out in this resolution.

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

8. “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in accordance with rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the articles of association of the Company and all applicable laws of the Cayman Islands and/or other applicable laws in this regards, be and the same is hereby generally and unconditional approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
  - (c) the aggregate nominal amount of the Shares repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
  - (d) for the purpose of this resolution, “**Relevant Period**” means the period from the time of the passing of this resolution until whichever is the earlier of:
    - i. the conclusion of the next annual general meeting of the Company;
    - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
    - iii. the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking and varying the authority set out in this resolution.”
9. “**THAT** conditional upon the passing of Resolutions numbered 7 and 8 set out in the notice of the annual general meeting at which this resolution is considered, the general mandate granted to the Directors to allot, issue or otherwise deal with additional Shares pursuant to Resolution numbered 7 above of which this resolution forms part be and is hereby extended by the addition thereto of the aggregate nominal amount of the Shares which may be repurchased or agreed to be repurchased by the Company under the authority granted pursuant to the Resolution numbered 8 above, provided that such amount of Shares so repurchased by the Company shall not exceed 10% of aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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10. **“THAT**

- (a) subject to and conditional upon Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the Refreshed Scheme Mandate Limit (as defined below), the refreshment of the limit in respect of the granting of share options under the existing share option scheme of the Company adopted on 6 August 2007 up to a new 10% limit of the number of Shares in issue at the date of the passing of this resolution (the **“Refreshed Scheme Mandate Limit”**) be approved; and
- (b) any director of the Company be and is hereby authorised to do all such acts and execute all such documents to effect the Refreshed Scheme Mandate Limit.”

To consider as special business and, if thought fit, passing the following resolution as special resolution:

### **SPECIAL RESOLUTION**

11. **“THAT**

the memorandum and articles of association of the Company be and are hereby amended in the manner as set out in Appendix III to the circular of the Company dated 22 May 2012 and the amended and restated memorandum and articles of association of the Company, consolidating all of the proposed amendments and all previous amendments made, copies of which have been produced to this meeting and marked “A” and initialed by the chairman of this meeting for the purpose of identification, be and are hereby adopted with immediate effect in replacement of the existing memorandum and articles of association of the Company in their entirety.”

By order of the Board  
**Forefront Group Limited**  
**Yeung Ming Kwong**  
*Chairman*

Hong Kong, 22 May 2012

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (1) Any member of the Company entitled to attend and vote at the Annual General Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her and so appointed shall have the same right as the member to speak at the meeting. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the annual general meeting is enclosed herewith.
- (3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.
- (4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Annual General Meeting or at any adjourned meeting (as the case may be) should they so wish.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to exclusion of the votes of the other joint holders.

The Board comprises the following members:-

*Executive Directors*

Mr. Yeung Ming Kwong (*Chairman*)  
Ms. Lo Oi Kwok, Sheree  
Mr. Lam Yick Sing  
Mr. Wen Louis  
Mr. Zhuang You Dao

*Independent Non-executive Directors*

Mr. Chung Yuk Lun  
Ms. Lam Yan Fong, Flora  
Mr. Pak William Eui Won